

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6260**

**BILL NUMBER:** SB 16

**NOTE PREPARED:** Nov 16, 2007

**BILL AMENDED:**

**SUBJECT:** Property Tax Assessing Duties.

**FIRST AUTHOR:** Sen. Lawson C

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *Transfer of Assessing Duties:* The bill transfers to the county assessor on January 1, 2009, the property tax assessment duties of elected township assessors and township trustees.

*Elimination of Elected Township Assessors:* It eliminates the office of elected township assessor. It also provides that an individual who was: (1) elected to; or (2) selected to fill a vacancy in; the office of township assessor before November 4, 2008, is entitled to remain in office and serve as township assessor until the end of the individual's current term.

*Certification of Assessors:* The bill provides that each appraiser that performs assessments on behalf of a county property assessment contractor must have a Level Two Assessor-Appraiser certification, and requires the Department of Local Government Finance to consider before approving the contract the contractor's experience, training, and number of employees.

*Repeals:* The bill repeals obsolete provisions.

**Effective Date:** July 1, 2008; January 1, 2009.

**Explanation of State Expenditures:** *Summary* - The bill has indeterminate fiscal impact on local government and may increase costs for the state Department of Local Government Finance (DLGF). The bill does not delete or diminish any responsibilities or administrative functions currently assigned in statute to township assessors, but rather transfers them to the county assessor. If the county assessor can perform or contract for the performance of these property tax assessing duties more efficiently than the township governments, cost savings will result. The bill could potentially increase costs for the DLGF to provide

training and certification of each appraiser that performs assessments on behalf of a contractor, qualifying professional appraisers hired or contracted by county assessors, and adjusting the maximum permissible ad valorem tax levy of a county and a township to reflect the transfer of responsibilities.

*Certification of Assessors:* Each appraiser performing assessments must attain a Level II Assessor-Appraiser certification. The DLGF is to determine that contracted professional appraisers and professional appraising firms have sufficient training and experience to perform an engagement, and that firms have a sufficient number of qualified employees to perform the contract. There are no data available to indicate how many more people may require training to reach Level II assessor-appraiser certification. Under current law, only the county and township assessor need to earn this certification. To the extent that classes have excess capacity, the number of instructors will not change. The DLGF may need additional resources for class materials, to track certifications and continuing education hours completed, and to provide contract approval.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

*Legislative Services Agency:* Legislative Services Agency will prepare legislation to organize and correct statutes affected by this act, if necessary. This function is within the current scope of agency work.

*Background* - Currently, DLGF promulgates rules concerning the employment of contract professional appraisers, and gives approval either for a contract with professional appraiser or for a local unit's decision not to employ professional appraisers as a technical advisor in a general reassessment.

Under current law, the DLGF conducts assessor-appraiser training and provides for the certification and continuing education of assessor-appraisers. A catalogue of classes is available online, and classes are given in six locations throughout the state. The DLGF reports that most classes are not filled to capacity. The DLGF tracks the number of hours of continuing education credit each assessor-appraiser earns. In statute effective January 1, 2008, township assessors elected after June 30, 2008, must complete the Level II Assessor-Appraiser certification prior to taking office. A county assessor takes the assessing responsibilities from the township assessor that do not reach that level of certification. In administrative rules, the DLGF requires Level I Assessor-Appraisers to earn 30 hours of continuing education credits during a four-year cycle and Level II Assessor-Appraisers to earn 45 hours during a four-year cycle.

**Explanation of State Revenues:** *Class A Misdemeanor:* By including all assessing officials and representatives of the DLGF, the bill increases the pool of potential violators of provisions concerning proper assessment and assessing responsibilities, a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000.

**Explanation of Local Expenditures:** *Elimination of Elected Township Assessors:* Effective July 1, 2008, the position of township assessor is removed from official primary and general election ballots. Township assessors elected before November 4, 2008, serve until the end of their term, which is four years. Incumbents subject to election on November 4, 2008, are to serve in office until December 31, 2008, and no new election will take place. For townships that do not have elected township assessors (generally townships with less

than 8,000 population), assessing responsibilities of the trustee-assessor transfer to the county assessor, but the trustee remains in office and executes other office responsibilities.

Any change in the number of individual appraisers needed to complete an assessment or reassessment is indeterminate and based on the situation of the individual township and county. Short-term costs may increase to organize and transfer records and tangible property between the township assessor and county assessor.

*Official Actions and Pending Actions:* Elimination of township assessors does not affect any assessment, assessment appeal, or other official action of a township assessor made prior to the expiration of the assessor's term of office. Also, the act does not affect pending actions or rights of parties with a legal claim against a township assessor.

*Class A Misdemeanor:* A Class A misdemeanor is punishable by up to one year in jail.

*Background* - Currently, townships with a population of more than 8,000 elect a township assessor. Townships with a population between 5,000 and 8,000 may elect a township assessor if the legislative body of the township adopts a resolution indicating that a township assessor is necessary and the resolution is filed with the county election board. A township trustee in a township with less than 5,000 population serves as the township assessor. In 2000, there were 1,008 township assessors in Indiana, 827 of whom are trustee-assessors.

**Explanation of Local Revenues:** *Class A Misdemeanor:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106.